



The American College of Physicians recently warned that “primary care, the backbone of the nation’s healthcare system, is at grave risk of collapse.”¹ There are rumblings at each step of the healthcare continuum: hospitals and health plans want primary care physicians (PCPs) to accept a larger role in disease management (DM) and care transitions, including patient education and follow-up. Meanwhile, PCPs struggle to provide quality care and devote

adequate time to patients in the face of reduced reimbursements and increased reporting. It’s a scenario that frustrates patients, who increasingly turn to emergency departments (EDs) for primary care when the PCP is unavailable.

Given this climate, it’s no wonder that more medical students choose specialty training over family medicine, leaving hospitals and practices poised for a staffing shortage. To reverse these trends, primary care is now a strategic focus for much of the industry. In its October 2006 online survey, the Healthcare Intelligence Network (HIN) asked healthcare organizations how they are affected by the state of primary care and how they are handling the deficiencies.

Primary Concerns: PCP Access, Reimbursement and Recruitment

Decimated. Dying. Crumbling. These are just a few adjectives used by presenters at the 2006 Health Management Congress to describe the state of primary care in the United States. These appraisals apparently resonate with HIN survey participants. Eighty percent of participating healthcare organizations said they are negatively impacted by the current condition of primary care. Issues related to PCP access were ranked most important by 46 percent of respondents, followed by PCP reimbursement (39 percent) and recruitment (30 percent). Reluctant to compromise healthcare quality and cost, 62 percent of respondents are already taking action in these areas.

Hospitals and health plans constituted the majority of the 139 survey respondents (32 percent and 20 percent, respectively), but a number of employers (6 percent), DM organizations (5 percent) and physician organizations (5 percent) also responded.

Death of Doctors Strains Hospital Emergency Rooms

When PCPs are overworked and inaccessible, increased use of EDs for non-urgent conditions is a given, say several hospitals answering the online survey. “We see frequent visits by patients for non-emergent issues on a daily basis,” said one hospital. The ED “functioning as de facto primary care” is a by-product of the current PCP environment, agrees another hospital. This respondent also pointed to lowered morale, the necessity of hiring hospitalists, higher compensation for doctors with no increase in reimbursement, and primary care being provided by costlier specialists as added side effects of the PCP condition.



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Improving access to PCPs and grappling with reimbursement formulas are equally challenging problems for slightly more than 45 percent of responding hospitals. Just over 40 percent of respondents from this industry sector say PCP recruitment and retention is more critical. It can be difficult to separate the related concerns of reimbursement and recruitment; disenchanted with workload, salaries and reimbursement, PCPs are exploring other career options. "We need to completely restructure physician contracting and support in order to keep them whole," said one hospital. "Many PCPs are looking for opportunities outside of primary care, and even out of medicine. [We're seeing] decreased physician satisfaction."

Some hospitals told HIN they are reexamining compensation models to prevent doctors from fleeing family medicine for the financial and lifestyle rewards of specialty medicine. This PCP exodus forces many specialists to provide primary care, they said.

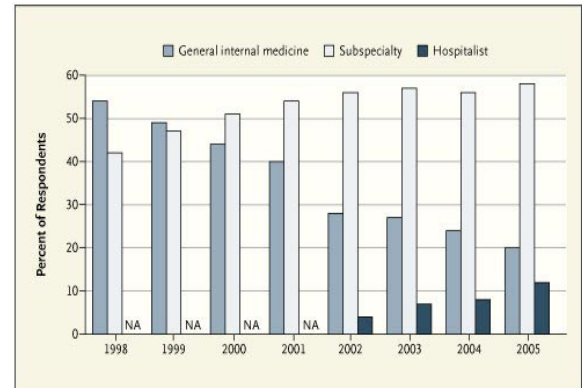
"Attending physicians are swamped at the office," said one hospital. "They rarely have time to visit their patients in the hospital. When they do, they often are not aware of the most current research on how to treat their sick patients. They are overworked, due in part to decreased managed care and Medicare payments."

"As PCPs struggle financially, many are forced to affiliate with larger healthcare/managed care systems," said another hospital. "This ultimately limits their ability to refer patients to specialists that provide the best service to their patients."

Hospitals are responding to the PCP crisis by reexamining compensation, aggressively recruiting and retaining physicians and improving patient access. One respondent has hired hospitalists to bear some of the PCP workload, and two others provide subsidized housing for physicians.

"The big hospital in our system tries to curry and groom the residents to stay in the system," shares one hospital. "Nothing — including big fees to recruiters — is working well."

Career Choices of Third-Year Internal Medical Residents



For 2001, data reflect career plans for all third-year internal medicine residents choosing careers as generalists, subspecialists and hospitalists. Data for all other years reflect career plans of third-year residents enrolled in categorical and primary care internal medicine programs. NA denotes "not applicable."³

Source: *New England Journal of Medicine*¹

Hospitals' Top Five Fixes for Primary Care

- ✓ Reimbursement changes (38 percent)
- ✓ Implementing a chronic care model (32 percent)
- ✓ Training patients to self-manage their care (31 percent)
- ✓ Open access scheduling (29 percent)
- ✓ Developing a primary care team (28 percent)

Source: October 2006 HIN online survey, "Primary Care Physicians"

Disclaimer: HIN survey results are not based on a scientific sampling but on the number of responses to the HIN monthly online survey

“In addition to working with our providers to enhance their support systems to allow them to see more patients, we are looking at new practice models and facility changes to enhance their productivity,” said another hospital. “We are also looking at additional ancillary or support services to add to practice environments that will increase practice revenue.”

Limited PCP Access Worries Health Plans

Business fallout due to overworked, unavailable PCPs affects many health plans. Fifty-six percent of responding health plans said limited PCP access is their most pressing concern, followed by reimbursement (36 percent) and recruitment (28 percent). Their responses reveal the difficulty in addressing these concerns separately.

“Unfilled PCP positions... push workload onto physician’s assistants, nurse practitioners and nurses, diverts it to urgent care or EDs or creates an increased load for specialists,” contributed a health plan, who described these consequences as “expensive and wasteful.”

Another health plan said increased dependency on specialists “leads to higher utilization of expensive ancillary services with questionable returns in terms of better outcomes.” Limited appointment availability leads to unnecessary ED visits and hospitalizations, costs that are incurred by health plans. Quality of care may be at stake, too. “We need to keep contracts with some physicians that do not meet clinical quality requirements due to access issues,” said another health plan.

Three quarters of responding health plans are crafting initiatives to improve primary care. Attempts to implement the chronic care model and refine reimbursement strategies are underway at 50 percent of responding health plans. Initiatives in patient self-management, patient-physician e-visits and the development of a primary care team can be found at more than a third of health plan respondents, and group visits are being explored by a quarter of participating health plans.

Hospitals and Health Plans Hope to Revive Primary Care

Health plans and hospitals are wooing doctors into general medicine and tweaking reimbursement models. Respondents shared some ideas getting positive reviews:

- ✓ (Hospital) New compensation plan and innovative care models;
- ✓ (Hospital) Employing “hospitalists” to reduce PCP on-call time;

The Doctors Respond

Seven physician organizations confirmed to HIN that PCP workload and the demands of complying with insurance requirements affect them most. To address both the shortage of help and complaints from their own PCPs about workload, most of these organizations focus on recruitment strategies. One hired a recruiter to contact medical schools, while another depends on hospitalists to reduce doctors’ on-call time while expanding to include other group practices. Another is raising the bar on quality, poised to implement a new reimbursement model to further promote quality.

Ultimately, they lament the toll these trends exact on patient care. “Negative trends in reimbursement have forced us to cut services to patients and will ultimately result in less healthcare resources in [our] market,” said one group.

“We are primary care, so our survival as a business is at stake. Our desire is to provide high-quality care AND stay in business,” concurred another physician group.

In the meantime, technology may relieve some of the burden. One physician group reports that its recently implemented electronic medical record system is getting positive reviews from its physicians.

“Patients wait three to four weeks for appointments. [There is] over-utilization of ER or walk-in centers where physicians don’t ‘really’ know the patient. Patients... with diabetes or hypertension are not getting primary care for coordination of their medical services. Many physicians now go into concierge medicine, seeing a limited number of patients who pay thousands of dollars for unlimited access to a physician. [This causes a] wider gap between very poor and very rich: the middle class will have fewer physicians to see, and the very poor will go to the ER.”

A physician responds to October 2006 HIN online survey, “Primary Care Physicians.”

- ✓ (Hospital) Leveraging pay-for-performance contractual incentives to increase physician reimbursement;
- ✓ (Health plan) Working with state universities to host medical interns;
- ✓ (Health plan) Pay for performance and quality bonus programs; case management and DM;
- ✓ (Health plan) Increased support for the patient-physician relationship;
- ✓ (Health plan) Performance profiling with incentive compensation;
- ✓ (Health plan) Considering use of “Quick Clinics” and expanding networks;
- ✓ (Health plan) Offering added reimbursement for activities not typically covered.

Related Resource

Increasingly, DM programs are realizing the importance of the PCP in DM success. Organizations are enhancing the role of the PCP in DM programs and reaping the results in patient compliance and other benefits. During *Primary Care Physicians in Disease Management: An “Old” New Model of Care*, a 90-minute audio conference, **Dr. Maureen Mangotich**, medical director of provider and community outreach at McKesson Health Solutions, and **Peter Simpson**, president of Segmedica, share perspectives from their organizations on the role of physicians in DM. This audio presentation is available on CD-ROM or in an on-demand format that allows you to listen immediately from your desktop.

You will get details on methods to improve care coordination through PCPs; the best tools and resources to educate PCPs; case studies on programs that enhance the role of PCPs; and much more.

For more information, please visit: <http://store.hin.com/product.asp?itemid=3235>

1. Bodenheimer, Thomas, M.D., “Primary Care — Will It Survive?” *New England Journal of Medicine*, August 31, 2006 Volume 355:861-864 Number 9. <http://content.nejm.org/cgi/content/full/355/9/861>

2. Medical Expenditure Panel Survey, a set of large-scale surveys of families and individuals, their medical providers, and employers across the United States. <http://www.meps.ahrq.gov/mepsweb/>

3. Bodenheimer. Additional note: Data for 1998 through 2003 are from Garibaldi RA, Popkave C, Bylsma W. “Career plans for trainees in internal medicine residency programs.” *Acad Med* 2005;80:507-512.

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